



Labor and Workforce Development

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Businesses to Pay Lower Assessment Rate to State on Workers' Compensation Insurance

BOSTON, MA, JULY 11, 2016....For the second consecutive year, the Baker-Polito Administration reduced the assessment rate employers pay to the state on workers' compensation insurance policies.

For fiscal year 2017, employers will pay an assessment of 5.6 percent on their total insurance premium, a 3 percent decrease from the previous rate of 5.75 percent. The new rate went into effect July 1.

The Department of Industrial Accidents, an agency within the Executive Office of Labor and Workforce Development, administers the workers' compensation insurance system, and annually establishes assessment rates. During fiscal year 2016, the Baker-Polito administration reduced the rate from 5.8 to 5.75 percent.

"We are very pleased that we can lower this assessment rate to businesses once again this year," Labor and Workforce Development Secretary Ronald L. Walker, II said. "After reviewing the current assessment rate and the fund balance, we determined it was possible to reduce the rate again."

"The reduction in the DIA assessment rate for the second year in a row is a clear statement of this administration's efforts to reduce costs for businesses in the Commonwealth.", said DIA Director Linda Turner.

The Massachusetts Workers' Compensation system is in place to make sure workers are protected by insurance if they are injured on the job or develop a work-related illness.

Under this system, all employers in Massachusetts are required by state law, Massachusetts General Laws Ch. 152, Sec. 25A, to carry workers' compensation insurance covering their employees. The insurance pays for any reasonable and necessary medical treatment for a job-related injury or illness; pays compensation for lost wages after the first five calendar days of full or partial disability; and in some cases provides retraining for employees who qualify.

DIA is funded through assessments on workers' compensation policies, and self-insurance programs for employers operating in Massachusetts. In addition, DIA collects statutory fines and fees.

DIA also acts as a court system responsible for resolving disputed workers' compensation claims. DIA oversees and adjudicates approximately 12,000 disputed cases each year.

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